

HOUSE BILL REPORT

SB 6107

As Reported by House Committee On:
Technology, Energy & Communications

Title: An act relating to conducting a study of pipeline utility corridor capacity.

Brief Description: Reviewing pipeline capacity and distribution in southwest Washington.

Sponsors: Senators Zarelli, Hatfield and Rasmussen.

Brief History:

Committee Activity:

Technology, Energy & Communications: 3/21/07, 3/28/07 [DPA].

Brief Summary of Bill
(As Amended by House Committee)

- Requires the Energy Facility Site Evaluation Council to study pipeline utility corridor capacity in southwest Washington.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: Do pass as amended. Signed by 11 members: Representatives Morris, Chair; McCoy, Vice Chair; Crouse, Ranking Minority Member; McCune, Assistant Ranking Minority Member; Eddy, Ericksen, Hankins, Hudgins, Hurst, Takko and VanDeWege.

Staff: Kara Durbin (786-7133).

Background:

Olympic Pipe Line System

The Olympic Pipe Line Company operates an interstate pipeline that runs along a 229-mile corridor from Blaine, Washington to Portland, Oregon. The Olympic Pipe Line system consists of two parallel lines, a 16-inch and a 20-inch pipeline, starting near the refineries in Skagit and Whatcom counties and running south to Renton, Washington. After delivering fuel to Seattle and Sea-Tac International Airport, the two pipelines combine into one 14-inch line that proceeds south to Portland, Oregon. This system transports gasoline, diesel, and jet fuel. The fuel originates at four Puget Sound refineries, two in Whatcom County and two in

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Skagit County, and is delivered to bulk terminals at Seattle's Harbor Island, Sea-Tac International Airport, Olympia, and Vancouver, Washington, as well as Portland, Oregon. This pipeline system delivers approximately 12.3 gallons of fuel a day.

The capacity of the Olympic Pipe Line system has not increased since the pipeline was built in sections between 1965 and 1970.

Energy Facility Site Evaluation Council

The Energy Facility Site Evaluation Council (EFSEC) was created in 1970 to provide one-stop licensing for large energy projects. The EFSEC's jurisdiction includes the siting of large intrastate natural gas and petroleum pipelines, electric power plants above 350 megawatts, new oil refineries, large expansions of existing facilities, and underground natural gas storage fields. For intrastate petroleum pipelines, the EFSEC has jurisdiction over the siting of those intrastate petroleum pipelines that transport crude or refined liquid petroleum products through a pipeline larger than six inches in diameter with a total length of at least 15 miles.

Summary of Amended Bill:

The EFSEC must review the status of pipeline utility corridor capacity and distribution for petroleum in southwest Washington. The EFSEC must review the following issues:

- whether pipeline utility corridor capacity constraints exist, and if so, to what extent;
- whether there is adequate pipeline utility corridor capacity in the state to meet existing demand; and
- whether the current pipeline utility corridor system is expected to meet projected demand growth in southwest Washington.

The EFSEC may also examine capacity and distribution of pipelines in other areas of the state to the extent that those pipelines may have an impact on supply to southwest Washington. The EFSEC is directed to coordinate, to the extent possible, with any regional pipeline infrastructure studies already being conducted in the southwest region of the state. By December 1, 2007, the EFSEC must submit its findings to the Legislature.

Amended Bill Compared to Original Bill:

The amended bill removes natural gas and biofuels from the scope of the study. The amended bill removes the requirement that the EFSEC identify needed improvements in pipeline capacity and make recommendations on proposed projects to the Legislature. The amended bill adds that the EFSEC must coordinate, to the extent possible, with any regional pipeline infrastructure study already being conducted in the southwest region of the state.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) We are confident that the Senate budget will fund this pipeline study. Southwest Washington is the fastest growing area in the state. Southwest Washington residents are typically paying higher prices for petroleum products and that is directly related to capacity. We do not have the capacity we need in southwest Washington. This is very important. We have had capacity problems over the last five years, ever since the pipeline accident that occurred in Bellingham. The pipeline carries 12.3 million gallons of fuel a day, which is the equivalent of 1,500 trucks per minute every day traveling down the interstate. It is much more expensive to ship petroleum products via barge or truck than by pipeline. The pipeline constraints will only get worse over the next five to 10 years.

(Opposed) None.

Persons Testifying: Senator Zarelli, prime sponsor; Representative Curtis; Charlie Brown, Washington Oil Marketers Association; and R. Bruce Holmstrom, Vancouver Oil.

Persons Signed In To Testify But Not Testifying: None.